

162976

Dayton  
International Airport



DEPT. OF TRANSPORTATION  
DOCKETS

02 APR 15 AM 11:14

OST-02-11590-12

April 11, 2002

Ms. Read Van dewater  
Assistant Secretary  
Aviation and International Affairs  
Docket Operations and Media Management Division  
SVC-124, Room PL-401  
Department of Transportation  
400 7th Street, SW  
Washington, Dc 20590

Dear Ms. Van dewater:

Enclosed are **six** copies of the Dayton International Airport Proposal under the Small Community Air Service Development Pilot Program. Dayton International Airport is owned and operated by the City of Dayton. Our constant mission is to provide our community with the best available air passenger service. Your assistance in helping us to achieve that goal is essential.

We are asking for \$1.5M in Air21 Funds. Page 27 of our proposal defines how we intend to expend the funds.

Should you need any additional information, please contact me at (937) 454-8214. Also, feel free to visit Dayton International Airport on the Worldwide Web at [www.flydayton.com](http://www.flydayton.com) <<http://www.flydayton.com>> .

We look forward to hearing from you soon.

Sincerely,

Eugene B. Conrad, Jr., A.A.E.  
Director of Aviation

EBC/rjb

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# **Proposal Under the Small Community Air Service Development Pilot Program for Dayton, OH**

***Docket OST-2002-11590-1***

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***Legal Sponsor: E. Blair Conrad, Jr. A.A.E. Director of Aviation--Dayton International Airport***



Submitted: April 11, 2002

## Contents

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- Required Letters
- Support for DAY Air21 Funding
  - DAY Market Background
  - Diversion From DAY
  - DAY's Air Service Development Efforts
  - DAY Plans for Air21 Funding
  - Conclusions
  - Appendix
- Required Financials

## Required Letters



**The  
Coalition**

130 West Second Street, Suite 1818  
Dayton, Ohio 45402  
937-222-4422 • FAX 937-222-1323

April 8, 2002

Mr. Matthew C. Harris  
Special Assistant  
Aviation and International Affairs  
Department of Transportation  
400 7<sup>th</sup> Street SW  
Washington, DC 20590

Reference: "Proposal under the Small Community  
Air Service Development Pilot Program"

Dear Mr. Harris:

This letter is to express our commitment to the Dayton International Airport and to our Dayton Community as we continue to seek ways to improve Air Service. Since the loss of the Piedmont/US Airways Hub in 1990, DAY air travelers have been subjected to insufficient air service and unacceptable high fares. As a community we constantly attempt to create new air service or to encourage expanded service from existing carriers.

Today we have an opportunity to participate in this newly designed program. If selected, the public-private partnership already in existence in our community will utilize funding to attract new service and to encourage lower airfares from DAY.

Our market population exceeds 1.5 million people and our air travelers are constantly inconvenienced into driving an additional hour and a half to two hours to other airports. We also are aware that attractive air service can help to enhance our business community.

We ask your favor in reviewing our application.

Sincerely,

Ronald D. Wine  
President & CEO

**Miami Valley  
Economic Development Coalition**



1 Chamber Plaza  
Fifth and Main Streets  
Dayton, Ohio 45402-2400

Phone 937-226-1444  
Fax 937-226-8254  
www.daytonchamber.org



Leadership Dayton  
Dayton/Miami Valley Safety Council  
Dayton Regional Minority Supplier  
Development Council  
Small Business Development Center  
Southern Area Manufacturing Center  
Quality Dayton

Serving the Miami Valley since 1907

April 2, 2002

Mr. Matthew C. Harris  
Special Assistant  
Aviation and International Affairs  
Department of Transportation  
400 7<sup>th</sup> Street SW  
Washington, D.C. 20590

Re: "Proposal under the Small Community  
Air Service Development Pilot Program"

Dear Mr. Harris:

This letter is to express our commitment to the Dayton International Airport and the need to improve air service in the Dayton region.

The economic success of a community is greatly impacted by the cost and quality of the air service it receives.

Since the loss of Piedmont/US Airways Hub in 1990, DAY air travelers have been subjected to insufficient air service and unacceptably high fares. Recently we joined with the airport to establish a public-private partnership to improve the quality of air service in Dayton.

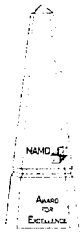
We would greatly value the opportunity to participate in the small community air service development program. If selected, the public-private partnership already in existence in our community provides us a unique ability to leverage the necessary funding to attract new service and encourage lower airfares from DAY.

Our market population exceeds 1.5 million people and our air travelers are constantly inconvenienced into driving an additional hour and a half to two hours to other airports. We view your new program as a way to improve the quality of life for these travelers and create more competition in the aviation marketplace.

We ask your favorable consideration in reviewing our application.

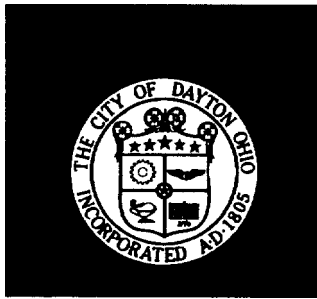
Sincerely,

Phillip L. Parker, CAE, CCE  
President and CEO



Award for Excellence  
National Business Institute  
1998-1999

**RHINE L. McLIN**  
Mayor



**CITY of DAYTON, OHIO**  
**OFFICE OF THE CITY COMMISSION**  
101 WEST THIRD STREET • P.O. BOX 22 • DAYTON, OHIO 45401  
CITY HALL • (937) 333-3636

April 8, 2002

Mr. Matthew C. Harris  
Special Assistant  
Aviation and International Affairs  
Department of Transportation  
400 7<sup>th</sup> Street SW  
Washington, D.C. 20590

Dear **Mr.** Harris:

Subject: Proposal under the Small Community Air Service Development Pilot Program

On behalf of the City of Dayton, I would like to express our commitment to the Dayton International Airport (DAY) and the Dayton community as we continue to seek ways to improve air service in this region. Since the loss of the Piedmont/US Airways hub in 1990, DAY air travelers have been subjected to diminished air service and higher fares. As a community, we have endeavored to create new air service and to encourage expanded service from existing carriers.

We appreciate the opportunity to participate in this newly designed program. If selected, the public-private partnership already in existence in our community will be utilized to attract new service and to encourage lower air fares from DAY.

Our market population exceeds 1.5 million people and many of our air travelers suffer the inconvenience of driving an additional hour-and-a-half to two hours to other airports. Additional service with competitive fares will help rectify this situation and be an asset to business development in this area.

We ask your favor in reviewing our application.

Sincerely,

Rhine L. McLin  
Mayor

RLM/tll

cc: Mr. Thomas, Interim City Manager  
Mr. Hall, Acting Deputy City Manager  
Mr. Conrad, Aviation Director

**Support for DAY**

**DAY Market Background**

## Situation/Objectives

### Through Its Air21 Application, DAY Hopes to Address Its Air Service Deficiencies

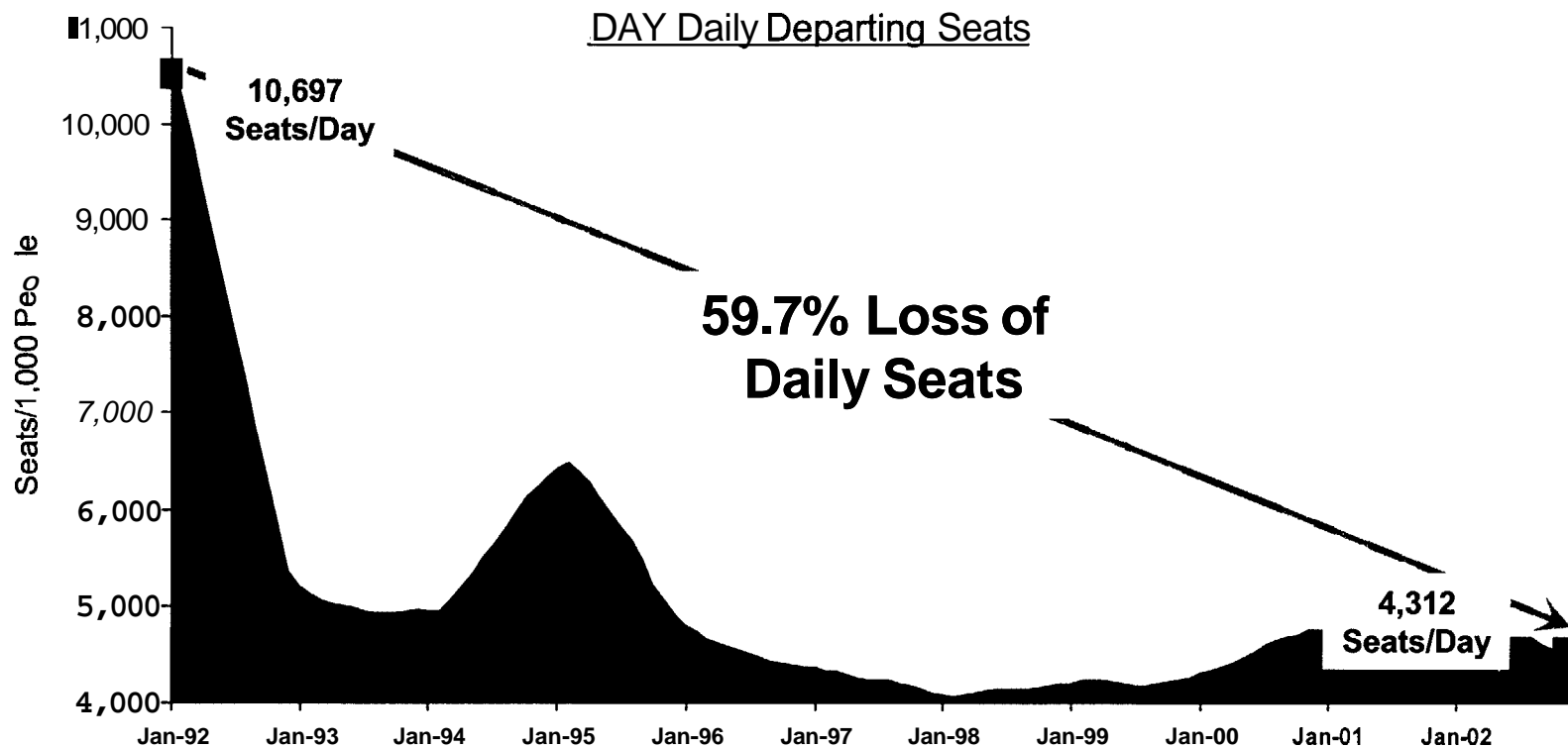
- Situation
  - Compared to city's of similar size, Dayton, Ohio ("DAY") air service is insufficient
  - Insufficient air service creates multiple problems for DAY users
    - \* DAY travelers pay higher than average fares
    - \* DAY travelers must drive to other cities for sufficient air service
- Objectives
  - Illustrate that DAY air service is over-priced and insufficient for community
  - Procure portion of 2002 Air21 funds for DAY's air service development efforts



## Background

### DAY Has Lost Significant Air Capacity Over the Last Decade...

- Capacity has declined dramatically since the elimination of the Piedmont hub in 1989 and the USAir hub in 1992

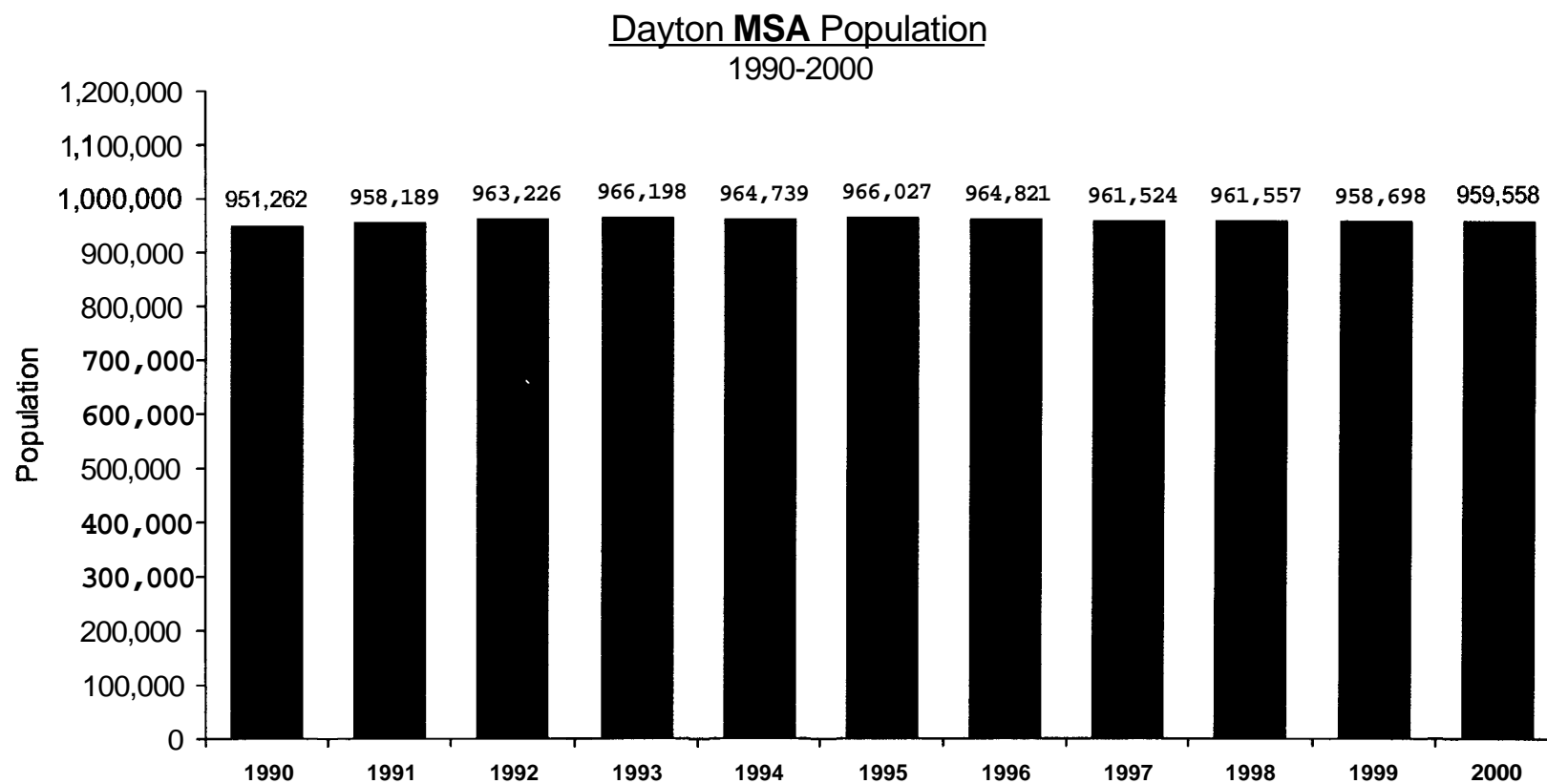


Source: T100 and Innovata schedule

## Background

...Despite Consistent Population Air Service Continues to Decline

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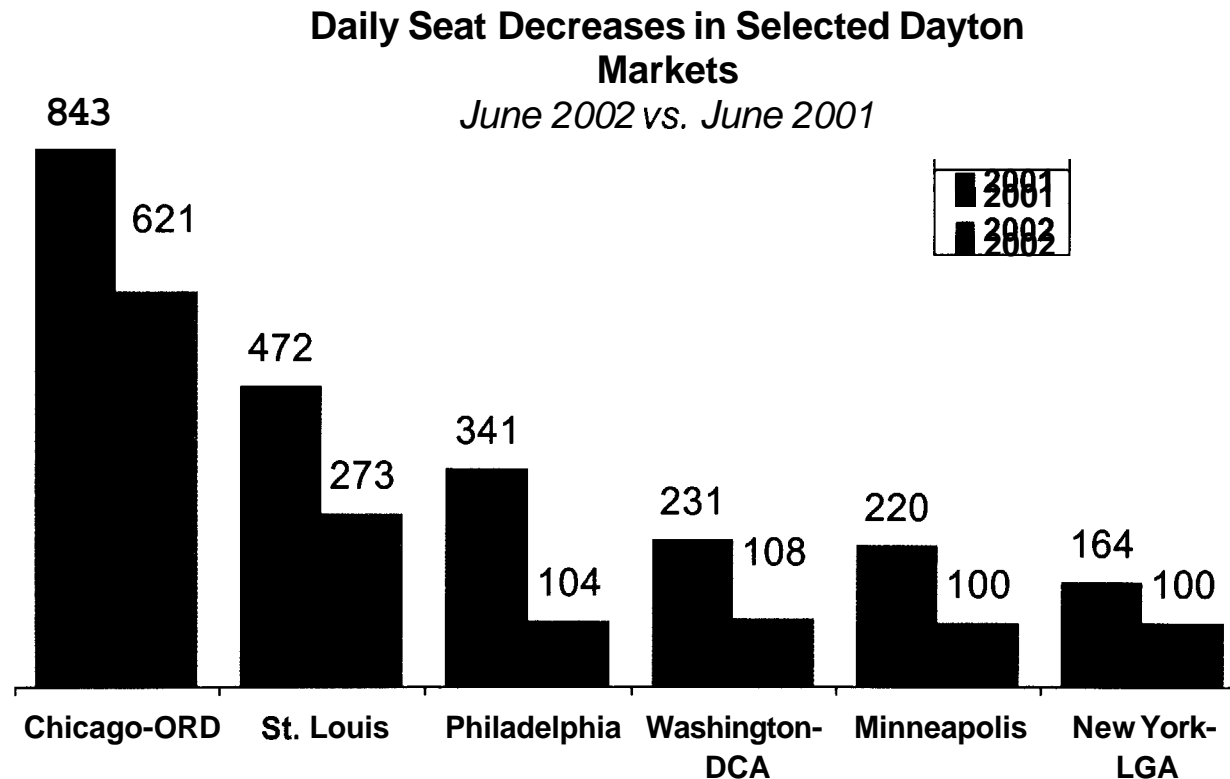
Source: Dayton Area Chamber of Commerce

## Background

### In the Last Year, Capacity to Six Key DAY Destinations has Plummeted

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- Service to hub cities has decreased most dramatically
- In below cities, capacity will be reduced 43% by June 2002



## Background

### Loss of DAY Air Service Means Most Flights Now Flown With Express Aircraft

- Over 71% of DAY departures performed with either RJ or turboprop aircraft

#### Dayton Frequency Chart

*Based on June 2002 Schedules*

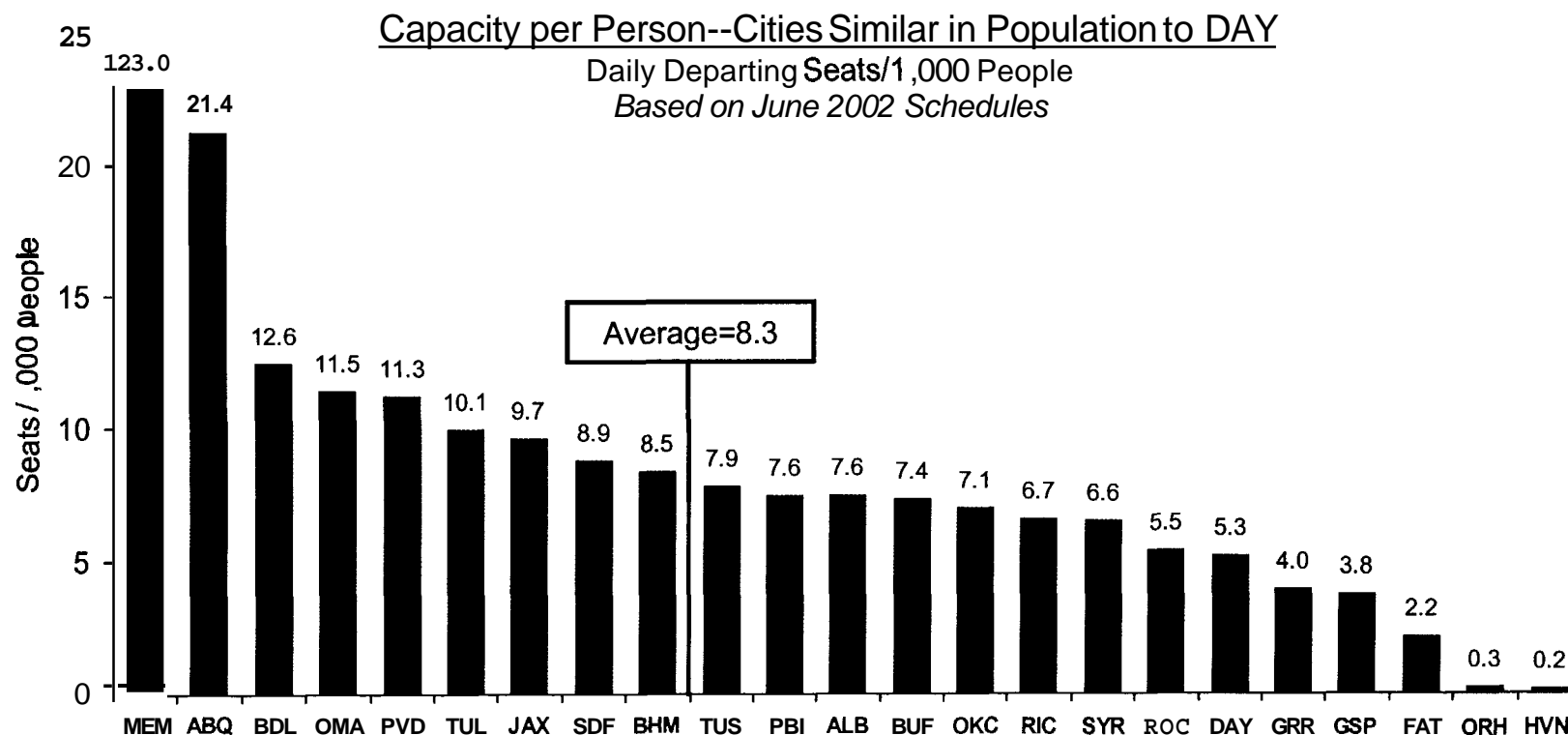
DAY to:	Average Daily DAY Roundtrips			Total
	Mainline	RJ	Turboprop	
ATL	9.0			9.0
CLE			3.4	3.4
CLT	2.1		0.9	3.0
CVG		5.7	1.7	7.4
DCA			3.7	3.7
DFW	2.0	1.0		3.0
DTW	3.7		4.0	7.7
EWR		0.9	0.7	1.6
IAD		1.0	5.6	6.6
IAH		1.0		1.0
LGA		1.9	2.0	3.9
MDW			5.6	5.6
MKE			2.3	2.3
MSP		2.0		2.0
ORD	3.0	3.4	1.6	8.0
PHL		1.0	1.9	2.9
PIT	3.0		4.4	7.4
STL	1.0	2.0	1.0	4.0
<b>Total</b>	<b>23.9</b>	<b>19.9</b>	<b>38.7</b>	<b>82.4</b>

Source: Innovata

## Background

### When Compared to Similar-Sized Cities, DAY's Air Market is Clearly Underserved

- Turboprops provide much of the service out of DAY, which drives down average capacity
- The average for comparable metro areas is 8.3 seats/1,000 in population vs. 5.3 for DAY



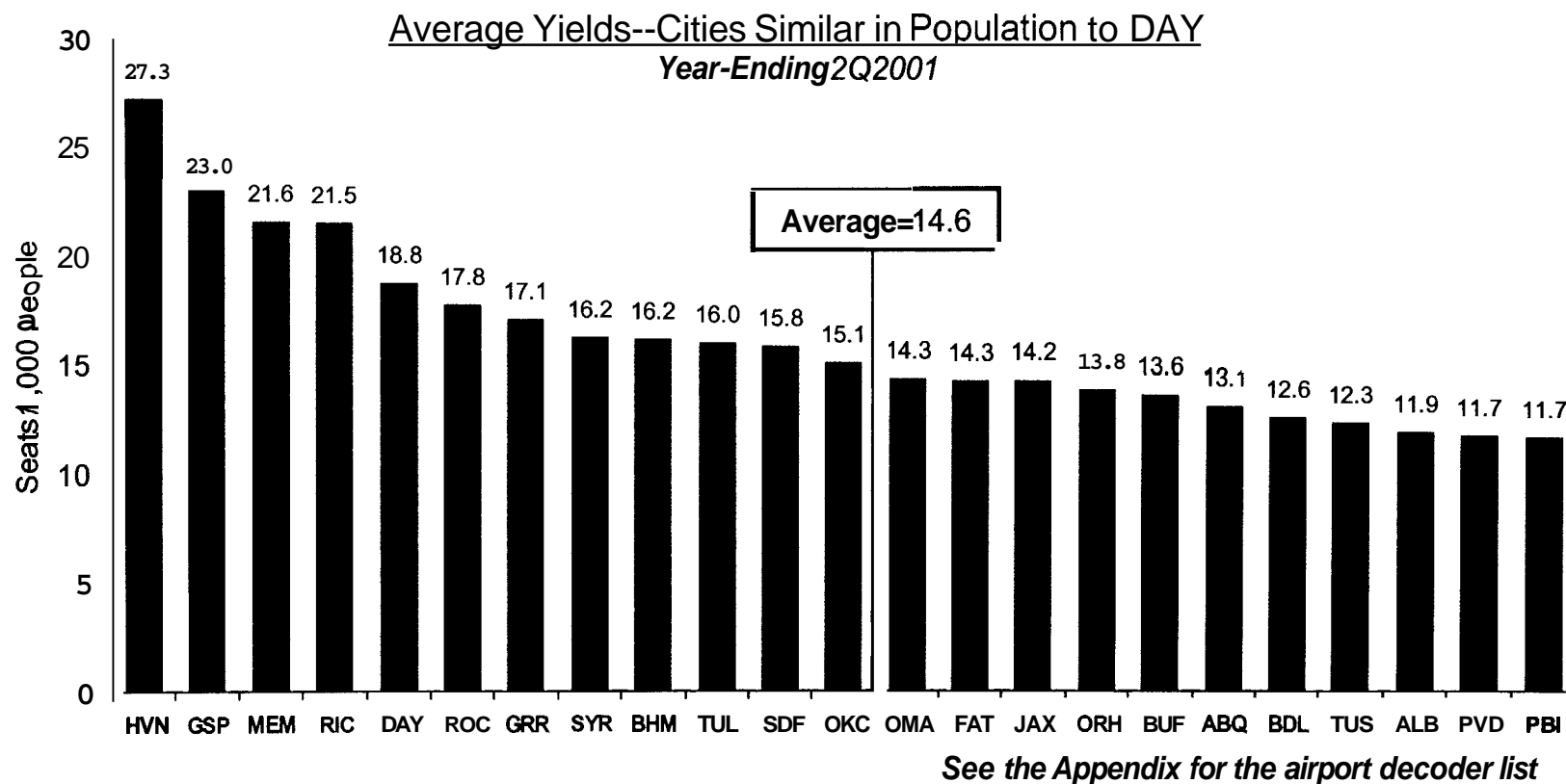
See the Appendix for the airport decoder list

Note: Cities selected based on metro population from Sales and Marketing Management Magazine

## Background

### Fares Paid by DAY Passengers are Much Higher than Its Peer Group

- The average yield for DAY(18.8¢) is 29% higher than that of similar city average (14.6¢)



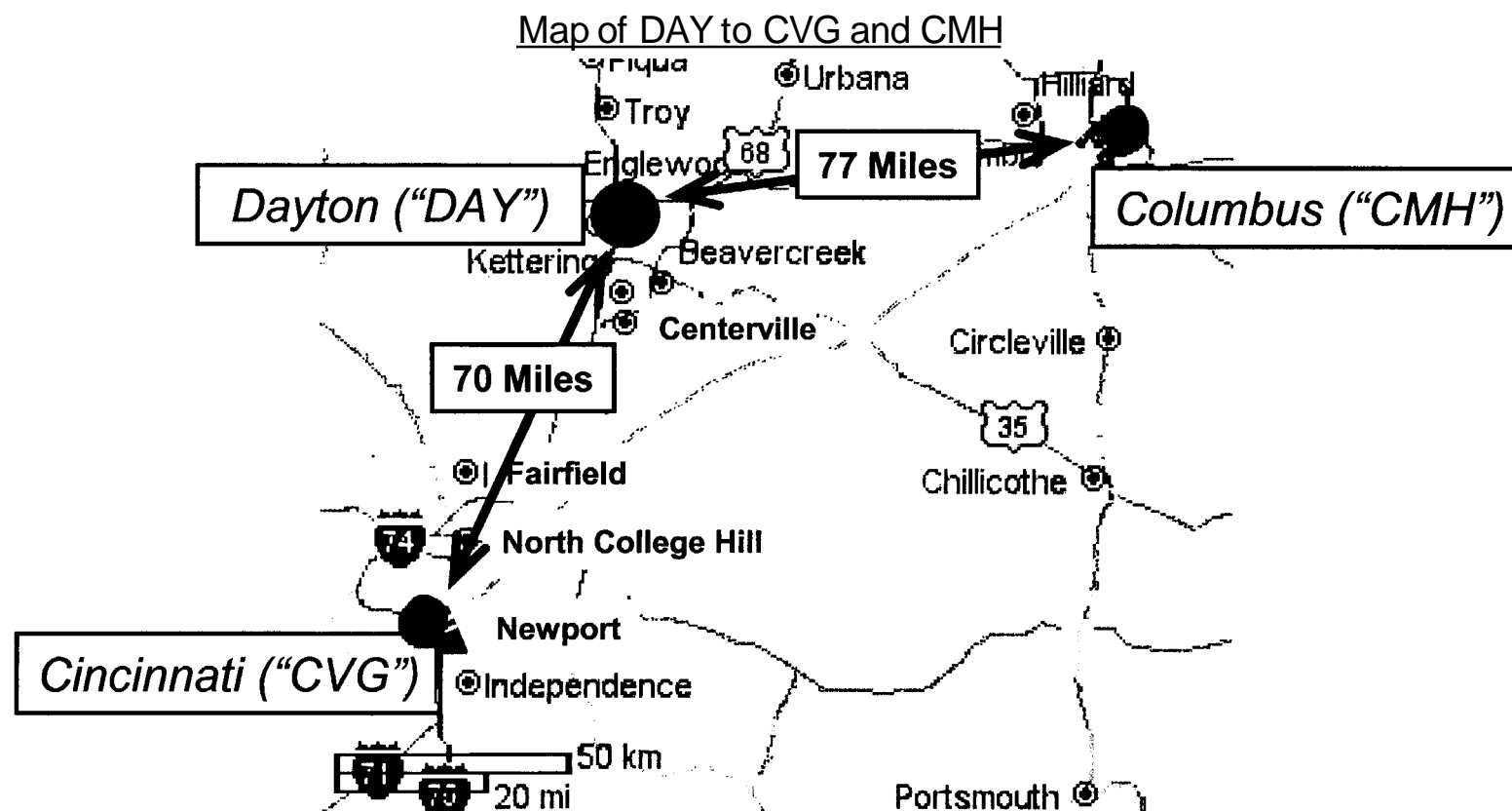
Source: US DOT, DB1B

**Diversion From DAY**

## Diversion from DAY

### Many Natural DAY Air Travelers Drive to Cincinnati and Columbus for Air Service

- From DAY, “house-to-plane” time often exceeds three hours for travel from both CVG and CMH
- **By** comparison, “house-to-plane” time from DAY for DAY travelers is often less than 45 minutes





- Delta at CVG: 3,591 weekly departures and 307,353 weekly seats (April 2002)
- By comparison, DAY has just 596 weekly departures and 35,413 weekly seats (April 2002)

A map of the United States with numerous lines radiating from New York City to other major cities. The lines represent flight routes. City codes are labeled at the end of each line, including LAX, SFO, ORD, and many others. The map shows the geographical distribution of flight paths across the country.

## Diversion from DAY

...and CMH Air Service is Appealing Because It ~~Is~~ Also Far Superior to DAY's

### CMH vs. DAY: Daily Departures to Large Markets

June 2002

Market	CMH Departures per Day			DAY Departures per Day			CMH more than DAY		
	Jets	RJS	Turboprops	Jets	RJS	Turboprops	Jets	RJS	Turboprops
ATL	6			9			(3)		
BDL		4							
BOS		3	3						
BWI	2	5							
CLT	5			2		1			(1)
DCA	1	6	1			4			(3)
DEN	2								
DFW	3	3	2	2	1				
DTW	7			4		4			(4)
EWR	2	7			1	1			(1)
IAH	3				1			(1)	
LAS	4								
LAX	1								
LGA		9	6		2	2			
MCO	4								
MEM	2	2							
MSP	4				2			(2)	
ORD	8	11	3	3	3	2			
PHL	4	4			1	2			(2)
PHX	5								
SA	2			1	2	1		(2)	(1)
TPA	4								
<b>Totals</b>	<b>74</b>	<b>52</b>	<b>14</b>	<b>21</b>	<b>13</b>	<b>16</b>	<b>53</b>	<b>39</b>	<b>(1)</b>
<b>Departures in Key Cities</b>			<b>141</b>			<b>50</b>			<b>91</b>

 = Common markets where CMH has superior service to DAY

## Diversion from DAY

Many DAY Travelers Use CVG, CMH, But Few CVG, CMH Travelers Use DAY...

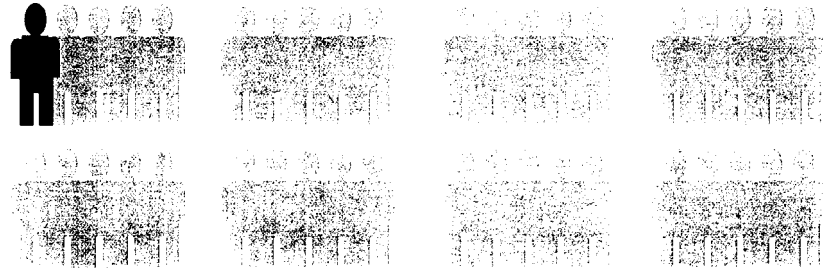
Travelers Buying Tickets  
in Dayton, But Using CVG  
(1 out of 7)

=



Travelers Buying Tickets  
in Cincinnati, But Using DAY  
(1 out of 40)

=



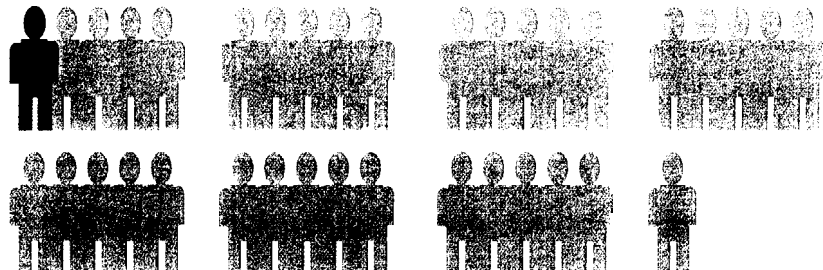
Travelers Buying Tickets  
in Dayton, But Using CMH  
(1 out of 17)

=



Travelers Buying Tickets  
in Columbus, But Using DAY  
(1 out of 36)

=



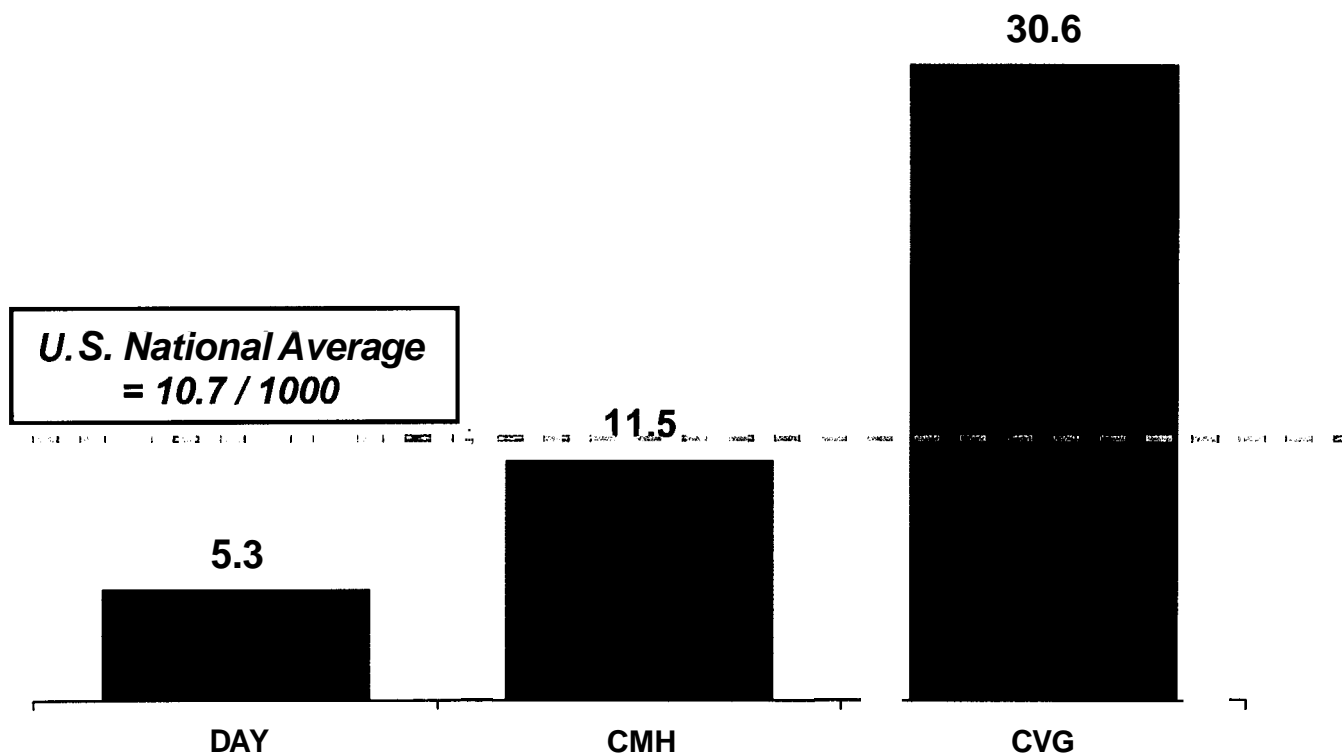
## Diversion from DAY

...Because CVG and CMH Have So Many More Seats than DAY

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- Per capita, CVG has 477% more air service than DAY, while CMH has 116% more
- As a whole, the average U.S. city with air service has 70% more seats per capita than DAY

Daily Departing Seats/1,000 Residents



Source: Innovata Schedule Data and Sales and Marketing Management Magazine

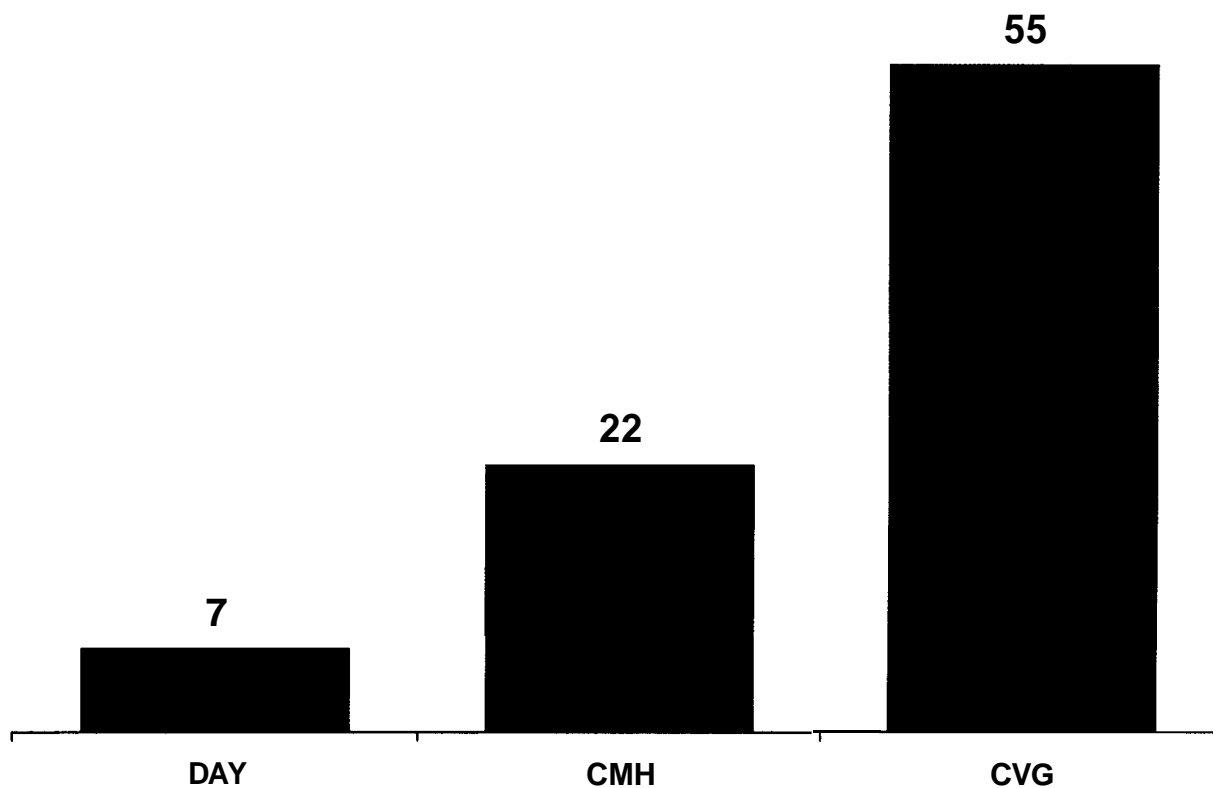
## **Diversion from DAY**

Moreover, Both CVG, CMH Have Much More Mainline Service than DAY

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- Research indicates passengers greatly prefer mainline jet service to both RJ and turboprop service
- DAY passengers are forced to drive to CMH and CVG for most mainline jet service

Cities with Mainline Jets: DAY, CMH and CVG

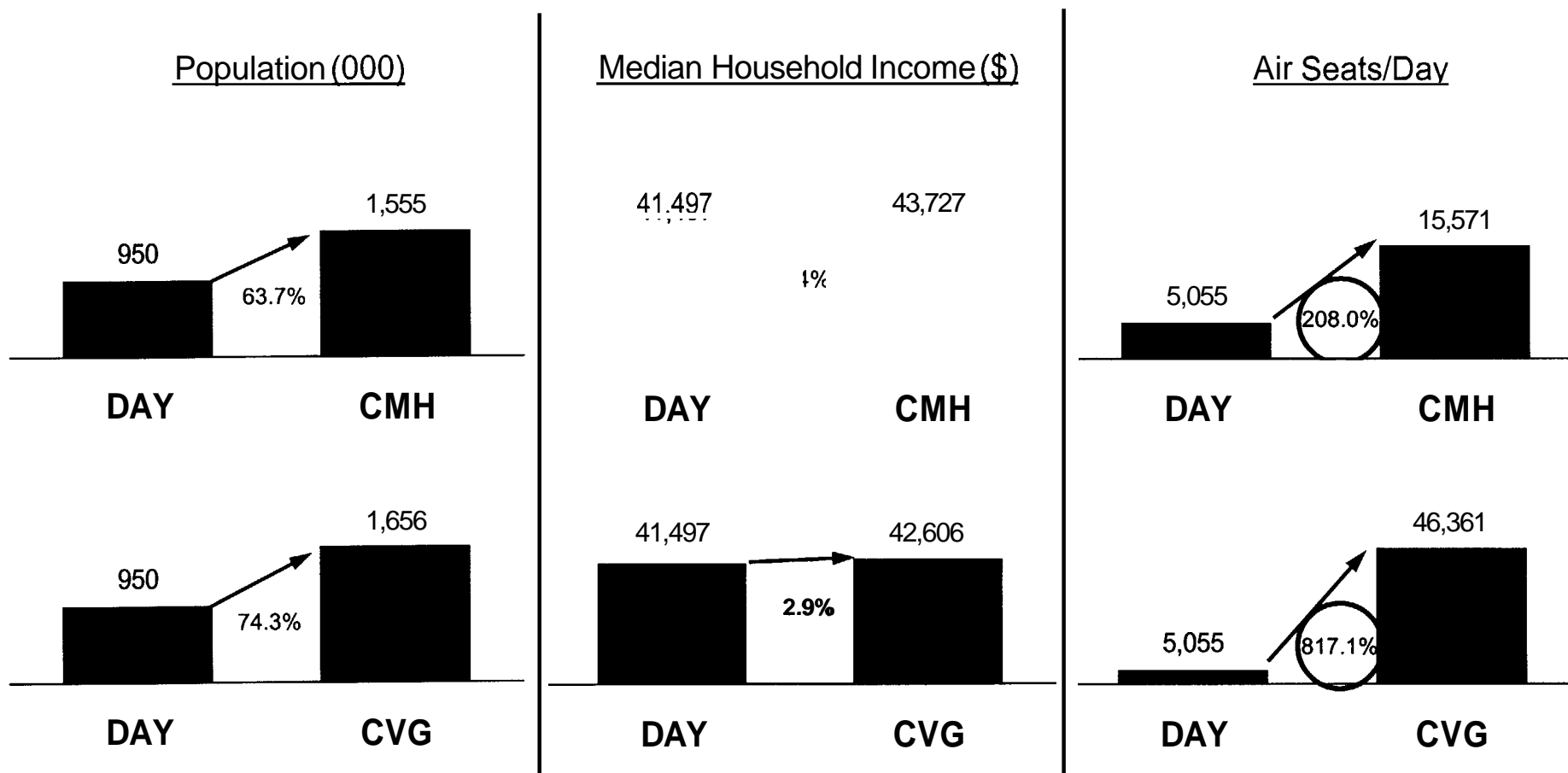


Source: Innovata Schedule Data

## Diversion from DAY

### Demographics Do Not Substantiate DAY's Lack of Air Service vs. CMH and CVG

#### DAY vs. CVG vs. CMH Demographic Comparison



Source: Population and Median Household Income from Sales and Marketing Management-2001  
Air Seats/Day from June 2002 Innovata

## **Dayton's Air Service Development Efforts**

## Air Service Effort Overview

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- Creation of DAY's *Air Service Initiative Coalition*
- Attempted development of "Heartland Airlines"
- Detailed quantitative analyses of new markets for traditional carriers
  - USAirways
  - United Airlines
  - Northwest Airlines
  - Midway Airlines
- Procurement of AirTran Airways service

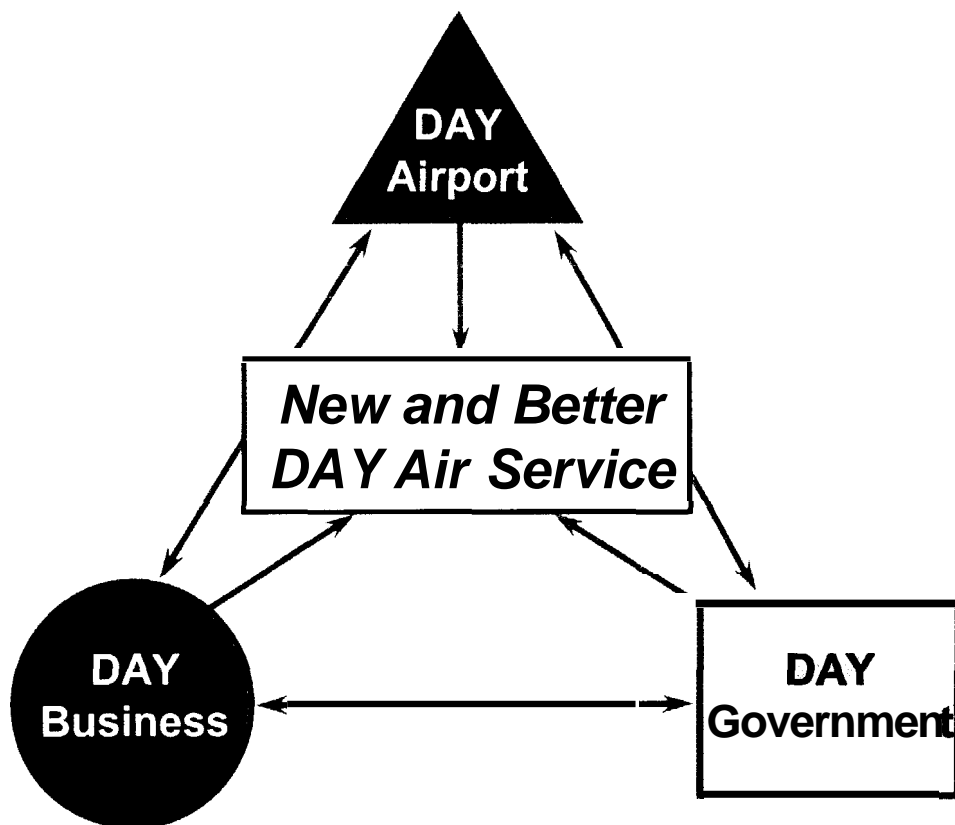


## DAY Air Service Initiative Coalition

In 2000, DAY Airport and Community Built Coalition to Improve DAY Air Service

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### DAY Air Service Initiative Coalition



- *Air Service Initiative Coalition* contains high-ranking officials from three key areas of DAY community
- Organization's stated mission is to improve air service out of DAY community
- *Coalition* understands value of improving air service options at DAY
- Three key bodies coordinate various duties required to improve DAY air service
- All three bodies of *Coalition* donate both financial and staffing resources

## Coalition Efforts—HeartLand

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- Using AirTran-type model, *HeartLand* intended to use DAY as its first hub
  - Business plan: provide consumers high-quality jet service at low fares
  - Local businesses provided substantial funding and support to HeartLand
- Several analyses displayed DAY traffic base large enough to sustain hub
  - Viability required keeping traffic from diverting to CVG and CMH
  - Viability also required reducing fares to reasonable “AirTran” levels
- Despite 2-year effort, initial plan lost primary funding after September 1 ■
- *HeartLand* concept recently resuscitated--new efforts underway to start carrier
  - *Coalition* still actively supporting effort

## **Coalition Efforts--Traditional Carriers**

### **Coalition has Aggressively Targeted Traditional Carriers for Better DAY Service**

- Professional air service development consultants used on all analyses
- *US Airways*
  - Reviewed US performance on DAY to PHL, PIT, CLT and DCA routes
  - Met with carrier to review above findings
  - Asked carrier to consider service additions
- *United Airlines*
  - Analyzed DAY-DEN route; met with carrier about potential service
- *Midway Airlines*
  - Analyzed DAY-RDU route, met with carrier, new route implemented
- *Northwest Airlines*
  - Analyzed DAY-MEM'route; 09/11 eliminated need for meeting with carrier

## ***Coalition* Efforts—AirTran**

### **AirTran has Been the *Coalition's* Primary Target for New DAY Service**

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- After ***Coalition*** courted carrier, AirTran began DAY-ATL jet service
  - AirTran-focused marketing effort began by ***Coalition*** in early 1999
  - Service implemented January 2000
- Recently, ***Coalition*** undertook large effort to procure DAY-LGA service
  - Independent consultant analyzed service--route considered “viable”
  - Incentives offered to AirTran for twice daily nonstop service:
    - \* \$500,000 revenue guarantee (i.e. grant)
    - \* \$250,000 in general co-op marketing funds
    - \* \$404,000 in community sponsored “travel bank” (see next page)
- Impact of Sept 11 postponed DAY-LGA opportunity in near term

***“Travel bank”:*** Bank account created by community guaranteeing minimum amount of community business travel on route

## **Coalition Efforts—AirTran**

### **77 Businesses Raised \$404,000 to Support Bid for New DAY-LGA Service**

#### **Businesses Financially Supporting Coalition's Bid for AirTran DAY-LGA Service** ***As of April 01, 2002***

##### **Company**

ADESA Cincinnati/Dayton  
Aida - Dayton Technologies, Inc.  
Arnold & Martin Enterprises, Inc.  
BeeLine Shopper  
Bob Ross Buick - GMC  
Bosma Machine & Tool Co.  
Brady Ware Capital  
City Folk  
City of Kettering  
Clark State Community College  
Con/Span Bridge Systems  
Cox Ohio Publishing  
Crown Equipment Corporation  
Crowne Plaza - Dayton  
Day International, Inc.  
Dayton Marriott Hotel  
Dayton/Montgomery CVB, Inc.  
Dean Investment Associates  
Dick Lay Trucking  
Eastpoint Communications  
EBS Asset Management  
Economy Linen and Towel Svc.  
Elder-Beerman  
Enrique Ellenbogen, M.D., Inc.  
Fifth Third Bank, Western Ohio  
Gem City Engineering

##### **Company**

Gosiger, Inc.  
Holiday Inn Dayton Mall  
I Supply Company  
IQC, Inc.  
Jerry Colp Realty, Inc.  
Kendell Construction Co.  
Kirk National Lease  
Komylak Corp.  
Lexis-Nexis  
WB, Inc.  
MDDA - Panasonic  
Miami Conservancy District  
Miami Valley Pension  
Miami Valley RTA  
Moto Photo, Inc.  
National City Corp.  
NCIC Capital Fund  
NCR Corporation  
O'Neil & Associates, Inc.  
Piqua Chamber of Commerce  
Premier Health Partners  
Process Equipment Co.  
R.L. Drake Co.  
Rittal Corp.  
Sebaly, Shillito & Dyer  
Serra Chevrolet, Inc.

##### **Company**

Shook, Inc.  
Sinclair Community College  
Springfield Clark County JVSD  
Standard Register Co.  
Summit Insurance Company  
The Champion Company  
The Children's Medical Center  
The Dayton Heart Hospital  
The Reynolds and Reynolds Co.  
Thompson Hine LLP  
Tipp Machine & Tool, Inc.  
Tipp O' The Town Restaurant  
Troy Area Chamber of Commerce  
Universal Technology Corp.  
University of Dayton  
US Aeroteam, Inc.  
Van Dyne Crotty  
Vemay Labs, Inc.  
Versicom Communications Corp.  
VMA at the Firefly Building  
West Carrollton Parchment Co.  
Wilcon Corporation  
William Lockwood  
Winco Industries  
Wittenberg University  
Wright State University

## Dayton Plans for *Air21* Funding

## DAY Plans for Air21 Funds

### The *Coalition* has a Well-Defined Plan for Use of Air21 Funds

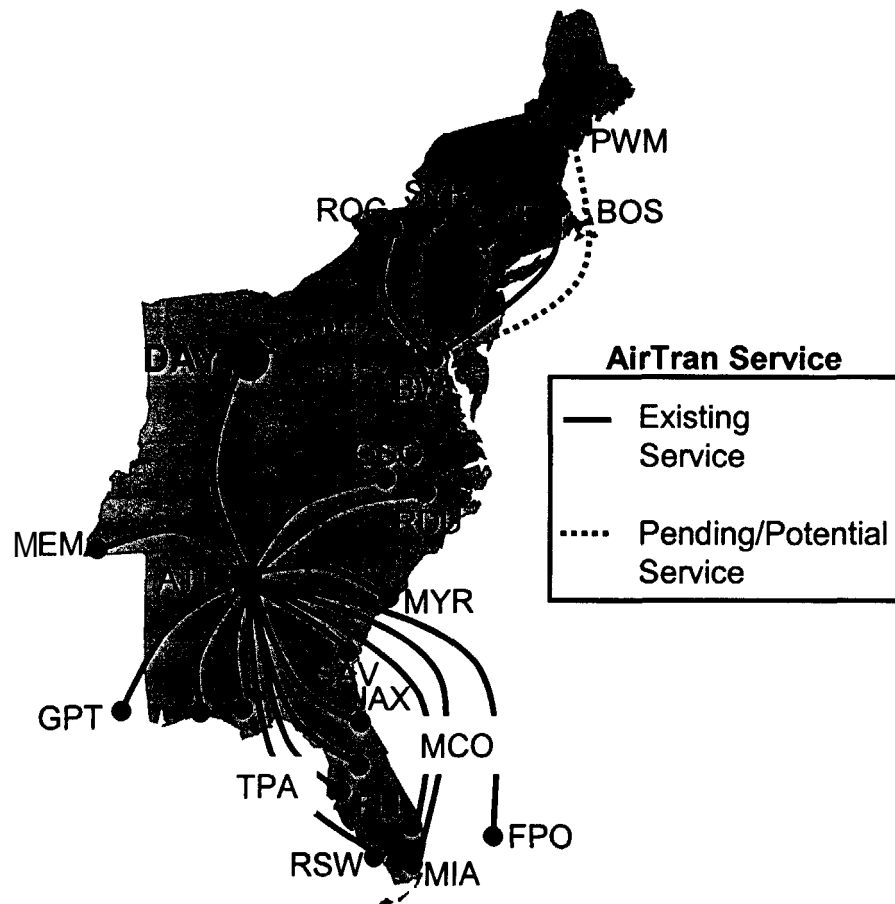
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- Below efforts assume that DAY would be granted \$1.5M in **Air27** funding
  - Requested amount based on short-fall for DAY programs outlined in following pages
- *Coalition* would use all Air21 funds to improve DAY's low-fare service
  - AirTran Airways would be *Coalition* target for east coast service
  - Frontier Airlines would be *Coalition* target for west coast service
- Specifically, *Coalition* intends to use Air21 funds for three purposes:
  - Portion of AirTran/Frontier revenue guarantee
  - Co-op marketing campaign for AirTran/Frontier
  - Defrayal of service launch costs related to new AirTran/Frontier service

## Air21 Funds–AirTran

### AirTran DAY-BWI Service, **Would** Help Improve DAY Service to Northeast U.S.

#### Current and Potential DAY AirTran Service *June 2002*



- Current AirTran DAY-ATL helps keep fares to southern markets low
- Adding AirTran DAY-BWI service will reduce fares to key points in Northeast
- All DAY businesses supporting DAY-LGA (pg. 25) would also support DAY-BWI
- AirTran and **Coalition** have been in talks regarding DAY-BWI nonstop service
- To procure service, **Coalition** would use funds provided by DAY government, DAY airport, DAY businesses and Air21 grant
- **AirTran has agreed to provide service if *Coalition* meets financial requirements**

See the Appendix for the airport decoder list

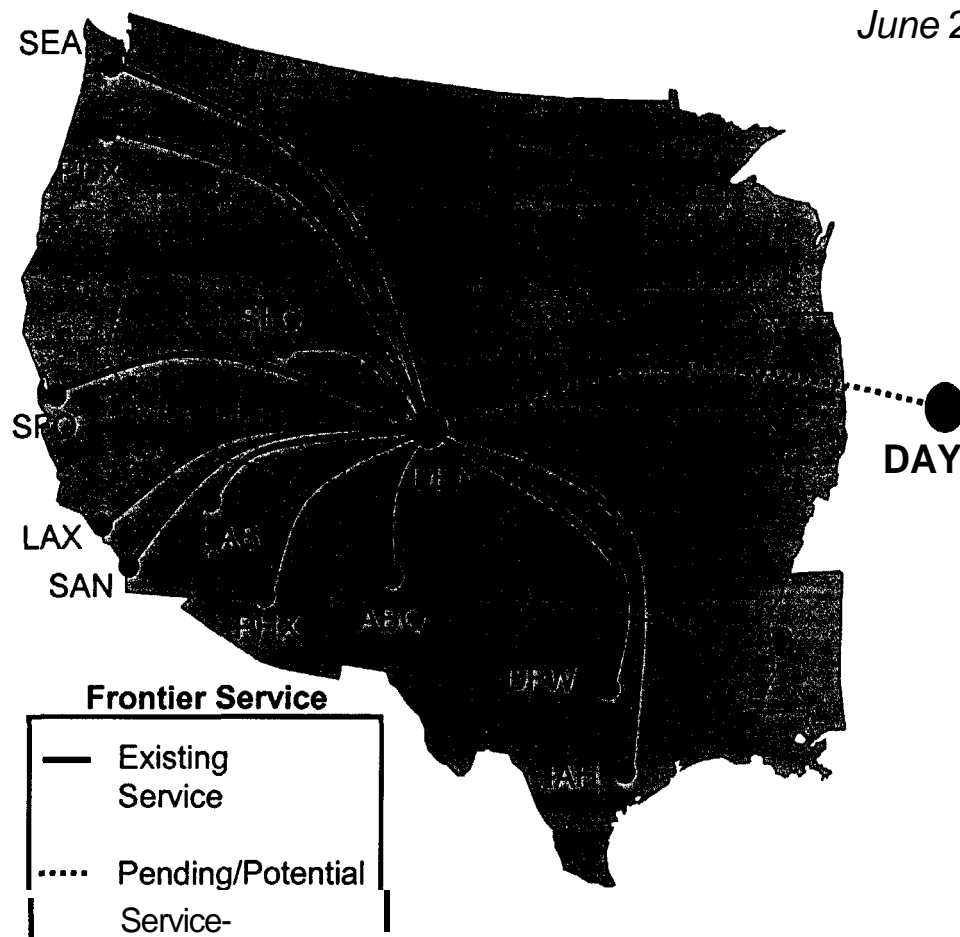


## Air21 Funds–Frontier

### DAY-DEN Frontier Service Would Help Improve DAY Service to West

#### Potential Frontier Service

June 2002



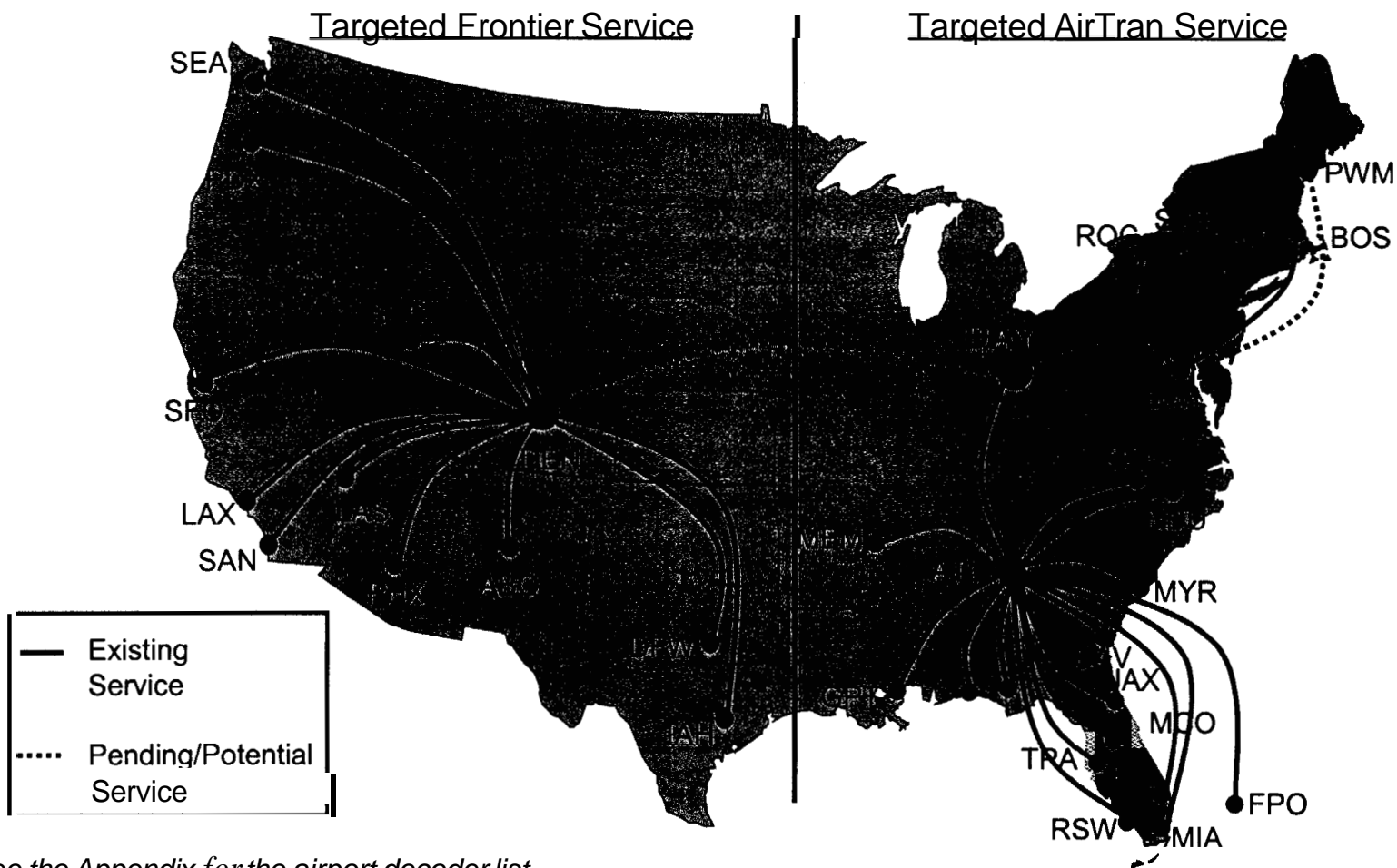
- Currently, Frontier does not serve *any* Ohio destination, so service **is** possible
- DAY fits well into Frontier's "east-west" focused network
- Forecast by independent consultant concludes DAY-DEN route would be profitable for Frontier
- Similar to *Coalition's* DAY-LGA effort (pg.24 and 25), government, businesses, and airport have all pledged financial support for effort to attract Frontier to DAY
- **Air21 funds will be used to supplement *Coalition's* economic contributions**

See the Appendix for the airport decoder list

## Results of Air21 Funds

Under Coalition's Plan, DAY Gets Low Fare Jet Service to Many Large U.S. Cities

### Potential DAY Low Fare Air Service 2003?



See the Appendix for the airport decoder list

## Benefits of Air21 Funds

### BWI-DAY AirTran Service Will Have a Positive Impact on DAY Traffic and Fares

#### Historic Benefits of AirTran ATL Service in a Market

Market	Year End 3rd Qtr 1993			Year End 3rd Qtr 1999			Est. Annual Savings	Percentage Change	
	Daily Traffic	Avg Fare	Daily Revenue	Daily Traffic	Avg Fare	Daily Revenue		Daily Traffic	Avg Fare
Dallas-Ft Worth	684	\$ 203	\$ 138,751	1,389	\$ 127	176,390	\$ 77,056,172	103%	-37%
New York - LGA	643	223	143,478	1,569	161	252,577	71,003,888	144%	-28%
Washington - IAD	261	168	43,898	1,258	96	120,720	66,094,200	381%	-43%
Raleigh-Durham	289	185	53,484	691	97	67,037	44,396,264	139%	-48%
Tampa	450	164	73,866	977	106	103,541	41,357,712	117%	-35%
Ft. Lauderdale	417	166	69,156	889	103	91,546	40,875,912	113%	-38%
Orlando	466	157	73,099	1,075	106	113,929	40,014,804	131%	-32%
Memphis	245	167	40,882	634	83	52,581	38,846,220	159%	-50%
Boston	547	191	104,382	1,035	143	147,991	36,262,896	89%	-25%
Miami	465	158	73,438	785	102	80,050	32,082,624	69%	-35%
Philadelphia	560	148	82,880	1,109	109	120,870	31,570,383	98%	-26%
Jacksonville	253	147	37,220	535	88	47,062	23,033,836	111%	-40%
New Orleans	249	147	36,559	534	94	50,158	20,644,984	115%	-36%
Greensboro	166	178	29,601	320	102	32,630	17,748,052	92%	-43%
Savannah	83	156	12,886	234	77	17,980	13,465,945	183%	-51%
Houston	76	180	13,644	245	111	27,140	12,315,465	223%	-38%
Akron-Canton	17	198	3,267	164	96	15,782	12,241,224	896%	-52%
Ft. Myers	85	154	13,013	233	102	23,807	8,859,864	176%	-34%
Buffalo	94	145	13,558	233	101	23,553	7,490,384	149%	-30%
Newark	1,099	139	152,817	1,444	132	190,648	7,380,373	31%	-5%
Knoxville	54	143	7,665	111	82	9,069	4,925,018	106%	43%
Flint	8	152	1,231	99	87	8,596	4,688,060	1120%	-43%
Bloomington	5	193	946	77	115	8,798	4,355,910	1461%	-40%
Ft. Walton	17	115	1,909	130	82	10,693	3,141,336	686%	-29%
Moline	17	171	2,822	63	109	6,845	2,842,328	281%	-36%
Gulfport-Biloxi	17	130	2,249	85	100	8,460	1,852,740	389%	-23%
Chicago - MDW	68	93	6,352	386	89	34,336	1,126,536	465%	-4%
Myrtle Beach	19	128	2,419	74	117	8,693	596,629	293%	-9%
<b>Totals</b>	<b>7,351</b>	<b>\$ 168</b>	<b>\$ 1,235,469</b>	<b>16,374</b>	<b>\$ 113</b>	<b>\$ 1,851,480</b>	<b>\$ 224,843,906</b>	<b>123%</b>	<b>-33%</b>

## Benefits of Air21 Funds

### Adding Frontier DAY-DEN Service Will Also Have Economic Benefits for DAY

- Like Southwest and AirTran, adding Frontier service lowers fares and increases demand
- Frontier service will be perfect complement to AirTran low-fare service to East Coast

#### Historic Benefits of Frontier DEN Service in a Market\*

Market	Passengers			Average Fare (\$)		
	Before	After	Change	Before	After	Change
SFO	123	172	40%	178	151	-16%
SAN	66	89	34%	143	111	-22%
SEA	101	115	14%	158	133	-16%
BOS	77	104	35%	244	197	-19%
BWI	35	65	86%	231	183	-21%
LGA	68	113	66%	290	215	-26%
MCI	96	115	20%	141	115	-19%
<b>Total</b>	<b>567</b>	<b>774</b>	<b>36%</b>	<b>190</b>	<b>156</b>	<b>-18%</b>

*\*Compares fares and traffic one year before and one year after the introduction of Frontier service*

## Benefits of Air21 Funds

- Estimate considers fares saved in new AirTran markets and relevant Frontier markets
- Estimate also considers mileage costs and travel times to/from CMH and CVG for natural **DAY** traffic

### Dayton Resident's Savings from New AirTran and Frontier Service

*\$29.2M per Year in Air Fare Savings*

*+ \$ 1.2M per Year in **Auto** Fuel Savings*

*+ 720,000 Hours per Year in Travel Time*

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***\$30.4M and Substantial Time Savings Annually!!!***

Source of DAY Funds

To Fulfill Coalition’s Goals, Air21 Funds Will Be Required

Break-Down of DAY Air Service Development Funding

Source	Amount (M\$)	% of Total	Funding Type
City of Dayton	0 25	0%	Local-Public
Chamber of Commerce	0 25	0%	Local-Public
Community Travel Banks	0 80	20%	Local-Private
Air21 Grant	1 50	54%	Federal-Private
Total	\$ 2.80M	100%	Mixed

There is no State-Level Money Anticipated for DAY’s Air Service Development Program

## Program Cost Estimates

The *Coalifion* Estimates It Will Spend \$2.8M procuring New Low Fare Service

- Combining the Air21 grant with the Coalition's funds help make an attractive incentive package

### Estimated Financial Requirements for New DAY Service

<u>AirTran</u>		<u>Frontier</u>	
<u>Expense</u>	<u>Amount (M\$)</u>	<u>Expense</u>	<u>Amount (M\$)</u>
Revenue Guarantee	0.65	Revenue Guarantee	0.65
Co-op Marketing	0.25	Co-op Marketing	0.25
Gate/Counter Upgrades	0.10	Gate/Counter Upgrades	0.10
<u>Community Travel Bank</u>	<u>0.40</u>	<u>Community Travel Bank</u>	<u>0.40</u>
Total	1.40	Total	1.40
<u>Air27 Grant Amount = \$0.75M</u>		<u>Air27 Grant Amount = \$0.75M</u>	

## Tracking Air21 Funds

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- DAY *Coalition* sponsor for Air21 project will be E. Blair Conrad
  - Mr. Conrad is Director of Aviation at **DAY International Airport**
  - Mr. Conrad's phone number: (937) 454-8214
- Communication with D.O.T. regarding *Coalition's* use of Air21 funds will be consistent
  - Quarterly updates on *Coalition's* air service development efforts will be given
  - D.O.T. can contact Mr. Conrad at any time regarding use of Air21 funds
- If desired, Coalition will get approval from D.O.T. for changes in grant usage
  - Intended efforts are for new AirTran and Frontier service as described
  - If no interest from AirTran, Frontier, funds may have to be used for other airlines



## Conclusions

## Conclusions

### DAY Community has Taken Many Actions to Improve Its Poor Air Service

- **Data clearly shows DAY air service is insufficient for the area's I M residents**
  - DAY air service seats/capita is 50% lower than national average
  - Average DAY fare is 29% higher than in peer group average
- **DAY residents unfairly forced to drive to CVG and CMH to get sufficient air service**
  - Analysis shows high numbers of DAY traffic “leaking” to CVG and CMH
  - Travel from DAY to CVG or CMH adds 2+ hours to travelers' trips
- **DAY community has been very active in rectifying area's poor air service**
  - Created DAY *Air Service Initiative Coalition* to improve air service efforts
  - *Coalition* aligns airport, local government and business effort to upgrade air service
  - Several programs already undertaken by *Coalition* to increase DAY air capacity

## Conclusions

### DAY Clearly Meets Requirements Specified by D.O.T. to Qualify for Air21 Funds

#### Requirements (Section 5, Appendix A)

#### Does DAY Fulfill Requirement?

***“PRIORITIES--The Secretary shall give priority to communities or consortia of communities:***

- (A) air fares are higher than the average air fares for all communities;*
- (B) the community or consortium will provide a portion of the cost of the activity to be assisted under the program from local sources other than airport revenues;*
- (C) the community or consortium has established, or will establish, a public-private partnership to facilitate air carrier service to the public; and*
- (D) the assistance will provide material benefits to a broad segment of the traveling public, including business, educational institutions, and other enterprises, whose access to the national air transportation system is limited*

**Yes!**

**Yes!**

**Yes!**

**Yes!**

**Required Financials**

**Appendix**

# Airport Codes

## Airport Code Translation Chart

<u>Airport Code</u>	<u>Translation</u>	<u>Airport Code</u>	<u>Translation</u>
ABQ	Albuquerque, NM	MSP	Minneapolis, MN
ATL	Atlanta, GA	ORD	Chicago, IL--O'Hare Airport
BDL	Hartford, CT	PDX	Portland, OR
BOS	Boston, MA	PHL	Philadelphia, PA
BWI	Baltimore, MD	PHX	Phoenix, AZ
DEN	Denver, CO	PIT	Pittsburgh, PA
DFW	Dallas/Fort Worth, TX	PVD	Providence, RI
DTW	Detroit, MI	PWM	Portland, ME
EWR	New York, NY--Newark Airport	RDU	Raleigh-Durham, NC
FPO	Freeport, Bahamas	ROC	Rochester, NY
GPT	Gulfport, MS	RSW	Fort Myers, FL
GSO	Greensboro, NC	SAV	San Diego, CA
IAD	Washington, DC--Dulles Airport	SAV	Savannah, GA
IAH	Houston-Geo. Bush	SEA	Seattle, WA
IND	Indianapolis, IN	SFO	San Francisco, CA
JAX	Jacksonville, FL	SJU	San Juan, PR
JFK	New York, NY--John F. Kennedy Airport	SLC	Salt Lake City, UT
LAS	Las Vegas, NV	SWF	Stewart Field, NY
LAX	Los Angeles, CA	SYR	Syracuse, NY
LGA	New York, NY--LaGuardia Airport	TPA	Tampa, FL
MCO	Orlando, FL		
MDW	Chicago, IL--Midway Airport		
MEM	Memphis, TN		
MIA	Miami, FL		

**DAYTON INTERNATIONAL AIRPORT**  
**SUMMARY OF BUDGETED REVENUES**  
**BY COST CENTER**

	2000	2001	2002
<u><b>TERMINAL</b></u>			
Enplaned Passenger Fees	\$ 1,770,000	\$ 1,820,000	\$ 1,840,500
Space Rentals	3,670,000	3,990,000	2,368,700
Advertising	60,000	200,000	170,000
Amusement Machines	20,000		-
Food & Beverage	231,000	382,000	202,000
Gift Shop	275,000	350,000	300,000
Insurance	1,000	1,000	1,000
Miscellaneous	124,000	6,000	20,000
Other Concessions	11,500	11,500	12,500
Retail Shops		-	-
Telephone	40,000	140,000	105,000
Travel Agency	-	-	-
Utilities	120,000	120,000	50,300
Real Estate Taxes	60,000	60,000	51,000
	<u>\$ 6,382,500</u>	<u>\$ 7,080,500</u>	<u>\$ 5,121,000</u>
<u><b>AIRFIELD</b></u>			
Landing Fees - Passenger	\$ 1,950,000	\$ 2,650,000	\$ 4,244,100
Landing Fees - Cargo	6,875,000	8,678,000	6,701,900
Fuel Flowage Fees	90,000	90,000	90,000
Agricultural/Residential Leases	12,000	12,000	11,100
Ground Leases	39,100	50,000	40,000
Real Estate Taxes		-	-
	<u>\$ 8,966,100</u>	<u>\$ 11,480,000</u>	<u>\$ 11,087,100</u>
<u><b>GROUND TRANSPORTATION</b></u>			
On-Airport Parking	\$ 5,280,000	\$ 7,920,000	\$ 7,600,000
Airport Car Rental	2,301,000	2,301,000	1,998,800
Taxi	25,000	40,000	40,000
Limousine	2,400	2,400	2,400
Ground Leases	93,000	150,000	150,000
Utilities	2,000	2,000	2,000
Space Rentals	15,000	25,000	30,000
Real Estate Taxes	-	-	-
	<u>\$ 7,718,400</u>	<u>\$ 10,440,400</u>	<u>\$ 9,823,200</u>
<u><b>AVIATION</b></u>			
Ground Leases	\$ 130,000	\$ 135,000	\$ 190,000
Hangar Rentals	230,000	260,000	256,400
Space Rentals	30,000	31,000	40,000
Fuel Storage	7,000	8,000	8,000
Flight Kitchen	80,000	80,000	100,000
Utilities	10,000	10,000	2,000
Miscellaneous	50,000	50,000	50,000
Real Estate Taxes	250,000	260,000	260,000
	<u>\$ 787,000</u>	<u>\$ 834,000</u>	<u>\$ 906,400</u>

**DAYTON INTERNATIONAL AIRPORT**  
**SUMMARY OF BUDGETED REVENUES**  
**BY COST CENTER**

	2000	2001	2002
<b><u>NONAVIATION</u></b>			
Ground Leases	\$ 330,000	\$ 350,000	\$ 341,300
Concession Fees		-	-
Space Rentals	122,000	120,000	120,000
Miscellaneous		-	
Utilities	65,000	65,000	500
Real Estate Taxes	250,000	250,000	244,900
	<u>\$ 767,000</u>	<u>\$ 785,000</u>	<u>\$ 706,700</u>
 <b><u>AIR CARGO</u></b>			
Ground Leases	\$ 481,000	\$ 500,000	\$ 498,400
Space Rentals	-	-	-
Utilities	40,000	40,000	40,000
Real Estate Taxes	280,000	380,000	380,000
	<u>\$ 801,000</u>	<u>\$ 920,000</u>	<u>\$ 918,400</u>
 <b><u>D-WBA</u></b>			
Ground Leases	\$ 56,200	\$ 56,200	\$ 46,000
Fuel Flowage Fees	3,500	3,500	5,000
Hangar Rentals	70,000	70,000	45,000
Concessions	3,000	3,000	
Space Rentals	6,600	6,600	6,000
Utilities	3,000	3,000	3,000
Real Estate Taxes		-	-
	<u>\$ 142,300</u>	<u>\$ 142,300</u>	<u>\$ 105,000</u>
 <b>TOTAL BUDGETED REVENUES</b>	 <u><b>\$ 25,564,300</b></u>	 <u><b>\$ 31,682,200</b></u>	 <u><b>\$28,667,800</b></u>

**DAYTON INTERNATIONAL AIRPORT**  
**SUMMARY OF BUDGETED O & M EXPENSES**  
**BY ORGANIZATION**

**NON-DEPARTMENTAL**

	2000	2001	2002
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contracual Services	35,000	35,000	35,000
Real Estate Tax	-	-	-
Indirect Cost Allocation	-	-	-
Utilities	-	-	-
Materials & Supplies	-	-	-
Furniture & Equipment	-	-	-
Motorized Equipment	-	-	-
	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>

**CONTINGENCY**

Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contracual Services	100,000	100,000	100,000
Real Estate Tax	-	-	-
Indirect Cost Allocation	-	-	-
Utilities	-	-	-
Materials & Supplies	-	-	-
Furniture & Equipment	-	-	-
Motorized Equipment	-	-	-
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

**ADMINISTRATION**

Personal Services	\$ 689,152	\$ 623,900	\$ 644,300
Travel	50,000	65,000	58,500
Contracual Services	866,858	1,188,500	833,000
Real Estate Tax	-	-	-
Indirect Cost Allocation	345,000	325,000	300,000
Utilities	-	-	-
Materials & Supplies	40,000	40,000	70,000
Furniture & Equipment	-	-	-
Motorized Equipment	30,000	30,000	-
	<u>\$ 2,021,010</u>	<u>\$ 2,272,400</u>	<u>\$ 1,905,800</u>

**TERMINAL**

Personal Services	\$ 2,318,300	\$ 2,408,600	\$ 2,690,900
Travel	5,000	5,000	6,000
Contracual Services	664,800	717,300	519,000
Real Estate Tax	-	-	-
Indirect Cost Allocation	90,000	90,000	200,000
Utilities	-	-	-
Materials & Supplies	300,000	400,000	380,000
Furniture & Equipment	8,000	-	-
Motorized Equipment	67,000	-	-
	<u>\$ 3,453,100</u>	<u>\$ 3,620,900</u>	<u>\$ 3,795,900</u>



**DAYTON INTERNATIONAL AIRPORT**  
**SUMMARY OF BUDGETED O & M EXPENSES**  
**BY ORGANIZATION**

	2000	2001	2002
<u>FIELD</u>			
Personal Services	\$ 2,037,439	\$ 2,355,000	\$ 2,735,500
Travel	20,000	20,000	15,000
Contractual Services	362,200	425,500	341,100
Real Estate Tax	-	-	-
Indirect Cost Allocation	66,300	66,300	101,600
Utilities	-	-	-
Materials & Supplies	454,300	454,300	400,000
Furniture & Equipment	20,000	15,000	15,000
Motorized Equipment	358,000	417,000	200,000
	<u>\$ 3,318,239</u>	<u>\$ 3,753,100</u>	<u>\$ 3,808,200</u>
<u>PLANNING, ENGINEERING, ENVIRONMENTAL</u>			
Personal Services	\$ 125,910	\$ 382,300	\$ 488,400
Travel	5,000	10,000	6,000
Contractual Services	474,500	1,966,900	864,000
Real Estate Tax	-	-	-
Indirect Cost Allocation	-	5,000	10,000
Utilities	-	-	-
Materials & Supplies	43,000	60,000	35,000
Furniture & Equipment	-	-	-
Motorized Equipment	-	-	6,000
	<u>\$ 648,410</u>	<u>\$ 2,424,200</u>	<u>\$ 1,409,400</u>
<u>GARAGE</u>			
Personal Services	\$ 277,173	\$ 321,600	\$ 358,600
Travel	3,500	3,500	3,000
Contractual Services	152,300	64,800	47,500
Real Estate Tax	-	-	-
Indirect Cost Allocation	20,000	20,000	54,000
Utilities	-	-	-
Materials & Supplies	166,000	276,000	216,000
Furniture & Equipment	-	-	-
Motorized Equipment	-	-	-
	<u>\$ 618,973</u>	<u>\$ 685,900</u>	<u>\$ 679,100</u>
<u>ARFF</u>			
Personal Services	\$ 1,952,062	\$ 2,172,000	\$ 2,400,300
Travel	2,000	15,000	13,500
Contractual Services	91,300	116,900	91,800
Real Estate Tax	-	-	-
Indirect Cost Allocation	45,000	45,000	79,400
Utilities	-	-	-
Materials & Supplies	52,000	82,000	80,000
Furniture & Equipment	-	60,000	30,000
Motorized Equipment	-	35,000	-
	<u>\$ 2,142,362</u>	<u>\$ 2,525,900</u>	<u>\$ 2,695,000</u>

**DAYTON INTERNATIONAL AIRPORT**  
**SUMMARY OF BUDGETED O & M EXPENSES**  
**BY ORGANIZATION**

	2000	2001	2002
<b><u>FIELD</u></b>			
Personal Services	\$ 2,037,439	\$ 2,355,000	\$ 2,735,500
Travel	20,000	20,000	15,000
Contracual Services	362,200	425,500	341,100
Real Estate Tax			-
Indirect Cost Allocation	66,300	66,300	101,600
Utilities	-		-
Materials & Supplies	454,300	454,300	400,000
Furniture & Equipment	20,000	15,000	15,000
Motorized Equipment	358,000	417,000	200,000
	<u>\$ 3,318,239</u>	<u>\$ 3,753,100</u>	<u>\$ 3,808,200</u>
<b><u>PLANNING, ENGINEER ENVIRONMENTAL</u></b>			
Personal Services	\$ 125,910	\$ 382,300	\$ 488,400
Travel	5,000	10,000	6,000
Contracual Services	474,500	1,966,900	864,000
Real Estate Tax	-		
Indirect Cost Allocation	-	5,000	10,000
Utilities			
Materials & Supplies	43,000	60,000	35,000
Furniture & Equipment	-		-
Motorized Equipment	-		6,000
	<u>\$ 648,410</u>	<u>\$ 2,424,200</u>	<u>\$ 1,409,400</u>
<b><u>GARAGE</u></b>			
Personal Services	\$ 277,173	\$ 321,600	\$ 358,600
Travel	3,500	3,500	3,000
Contracual Services	152,300	64,800	47,500
Real Estate Tax	-		
Indirect Cost Allocation	20,000	20,000	54,000
Utilities	-		
Materials & Supplies	166,000	276,000	216,000
Furniture & Equipment			-
Motorized Equipment	-		-
	<u>\$ 618,973</u>	<u>\$ 685,900</u>	<u>\$ 679,100</u>
<b><u>ARFF</u></b>			
Personal Services	\$ 1,952,062	\$ 2,172,000	\$ 2,400,300
Travel	2,000	15,000	13,500
Contracual Services	91,300	116,900	91,800
Real Estate Tax		-	-
Indirect Cost Allocation	45,000	45,000	79,400
Utilities		-	-
Materials & Supplies	52,000	82,000	80,000
Furniture & Equipment	-	60,000	30,000
Motorized Equipment	-	35,000	-
	<u>\$ 2,142,362</u>	<u>\$ 2,525,900</u>	<u>\$ 2,695,000</u>

**DAYTON INTERNATIONAL AIRPORT**  
**SUMMARY OF BUDGETED O & M EXPENSES**  
**BY ORGANIZATION**

	2000	2001	2002
<b><u>REAL ESTATE TAXES</u></b>			
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contractual Services		-	
Real Estate Tax	1,075,000	1,150,000	1,155,000
Indirect Cost Allocation	-	-	
Utilities	-	-	
Materials & Supplies	-	-	-
Furniture & Equipment	-	-	-
Motorized Equipment	-	-	-
	<u>\$ 1,075,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,155,000</u>
<b><u>UTILITIES</u></b>			
Personal Services	\$ -	\$ -	\$ -
Travel	-	-	-
Contractual Services	-	-	-
Real Estate Tax			-
Indirect Cost Allocation			-
Utilities	2,796,000	3,790,000	4,011,000
Materials & Supplies	-		-
Furniture & Equipment	-	-	-
Motorized Equipment	-	-	-
	<u>\$ 2,796,000</u>	<u>\$ 3,790,000</u>	<u>\$ 4,011,000</u>
<b>TOTAL BUDGETED O &amp; M EXPENSES</b>	<b>\$20,763,499</b>	<b>\$26,894,300</b>	<b>\$25,082,100</b>
<b>DEBT SERVICE REQUIREMENTS</b>	<u><b>4,456,300</b></u>	<u><b>4,436,200</b></u>	<u><b>3,795,000</b></u>
<b>TOTAL BUDGETED EXPENSES</b>	<u><b>\$25,219,799</b></u>	<u><b>\$31,330,500</b></u>	<u><b>\$28,877,100</b></u>